



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-45-2014**  
**September 9, 2014**

**Regulatory Capital Rules:  
Regulatory Capital, Revisions to the Supplementary Leverage Ratio**

**Summary:** The federal banking agencies have issued the attached joint final rule that revises the denominator of the supplementary leverage ratio (total leverage exposure) under the revised regulatory capital rule adopted by the agencies in July 2013 (2013 revised capital rule).

**Statement of Applicability to Institutions with Total Assets Under \$1 Billion:** This Financial Institution Letter (FIL) does not generally apply to institutions with total assets of under \$1 billion. This FIL applies only to banking organizations with total assets less than \$1 billion that are insured depository institution subsidiaries of banking organizations subject to the agencies' advanced approaches risk-based capital rules (advanced approaches banking organizations, as defined in the 2013 revised capital rule). In general, the advanced approaches rule defines a core bank as a bank with consolidated total assets of \$250 billion or more, consolidated on-balance sheet foreign exposure of \$10 billion or more, or an insured depository institution subsidiary of a core bank.

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Chief Executive Officer  
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**Related Topics:**

Risk-Based Capital Rules, 12 CFR Part 324, Basel III

**Attachment:**

[Regulatory Capital Rules: Regulatory Capital, Revisions to the Supplementary Leverage Ratio](#)

**Contact:**

Bobby Bean, Associate Director, Capital Markets Branch, at [bbean@fdic.gov](mailto:bbean@fdic.gov)

Karl Reitz, Chief, Capital Markets Strategies, at [kreitz@fdic.gov](mailto:kreitz@fdic.gov)

Ryan Billingsley, Chief, Capital Policy, at [rbillingsley@fdic.gov](mailto:rbillingsley@fdic.gov)

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**Highlights**

The final rule:

- Aligns the agencies' rules on the calculation of the denominator of the supplementary leverage ratio (SLR) with international leverage ratio standards.
- Incorporates in total leverage exposure the effective notional amount of credit derivatives and other similar instruments under which credit protection is provided, modifies the calculation of total leverage exposure for derivatives and repo-style transactions, and revises the credit conversion factors applied to certain off-balance sheet exposures.
- Changes the methodology for calculating the SLR and the public disclosure requirements for the SLR.
- Applies to banking organizations subject to the agencies' advanced approaches risk-based capital rules.
- Establishes public disclosure requirements that are effective in March 2015; supplementary leverage ratio capital requirements incorporating the revised denominator are effective January 1, 2018.